

SB

264

Alaska State Legislature



Committee Membership

Senate Finance
Senate Resources
Senate Rules
Legislative Budget & Audit

District Address:
145 Main St. Loop; Ste. 226
Kenai, AK 99611
(907) 283-2690
fax 283-9267

Session Address:
State Capitol; Room 514
Juneau, AK 99801-1182
(907) 465-2828
fax 465-4779

Senator John Torgerson

SB 264: Aid for Municipal Road Maintenance Sponsor Statement

SB 264 removes the current municipal road maintenance program from the revenue sharing statutes and establishes a stand-alone program for aid to municipalities for road maintenance. The funds appropriated to the existing program will be eliminated, except for funding for ice street maintenance. (This legislation does not affect the current statutes pertaining to maintenance of ice streets.)

The new program establishes the same requirements for eligibility of the roads as the current program. The source of funds for the new program is established as the motor fuel tax, which is expected to generate some \$9.3 million in FY 99. The current program cost is some \$3.2 million. The new program actually increases the funding by about 40 percent to \$1,000 per mile (the current appropriation amounts to some \$700.00 per mile) with an estimated total program cost of \$4.4 million.

Any balance which remains from the motor fuel tax funding source after the \$1,000 per mile allocation will be allocated to the Department of Transportation. Those funds will then be used for road improvements to facilitate road transfers from the State to a municipality for road maintenance.

Because the existing program is part of the Safe Communities Program, the minimum entitlement for municipalities is affected when this new program is enacted. This bill would reduce the minimum entitlement amount by the amount gained through the new road maintenance program.

In addition to the funding for maintenance of municipal roads, this bill provides for annual allocation of federal funds to the municipalities for road improvements. The method of allocation is based on the amount of road miles maintained by each municipality.

It is hoped that, by creating a stable funding source of revenue sharing for municipal road maintenance and a mechanism for upgrades for transfers to local governments, the amount of maintenance and appropriation by the state will be reduced.

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Representing the Kenai Peninsula